

**GOVERNMENT OF INDIA  
CHEMICALS AND FERTILIZERS  
LOK SABHA**

UNSTARRED QUESTION NO:2832  
ANSWERED ON:18.08.2011  
REDUCTION IN COST OF DRUGS  
Naik Dr. Sanjeev Ganesh

**Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:**

(a) whether the rising cost of drugs and the financial burden make it difficult for common people to access the affordable medicines; and

(b) if so, the measures taken or proposed to be taken by the Government to reduce the cost of drugs and ensure availability of good quality drugs at affordable prices to the common man?

**Answer**

MINISTER OF THE STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION AND MINISTER OF THE STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT KUMAR JENA)

(a): The rise in prices adversely affects the accessibility of the common man to essential commodities, including medicines. Under the provisions of the Drugs (Prices Control) Order, 1995 (DPCO, 1995) the prices of 74 scheduled bulk drugs and the formulation containing any of these scheduled drugs are controlled. National Pharmaceutica! Pricing Authority (NPPA) fixes or revises prices of scheduled drugs / formulations as per the provisions of the DPCO,1995. No one can sell any scheduled drug / formulation at a price higher than the price fixed by NPPA.

In respect of drugs not covered under the DPCO,95 i.e. non scheduled drugs, manufacturers are at liberty to fix the prices by themselves without seeking the approval of Government/ NPPA.

During the current financial year 2011-12 (up to 31st July, 2011), the prices of 273 scheduled medicine packs have been fixed / revised by the NPPA, out of which only in 95 cases the prices were increased which comprises 34.80% of the total cases for which prices were fixed / revised during the year. In the remaining cases, prices were either reduced or fixed for the first time or there was no change in the price.

(b): NPPA regularly examines the movement in prices of non-scheduled formulations as a part of price monitoring activity. The monthly reports of ORG IMS and the information furnished by individual manufacturers are utilized for the purpose of monitoring prices of non-scheduled formulations. Whenever a price increase beyond 10% per annum is noticed, the manufacturer is asked to bring down the price voluntarily failing which, subject to prescribed conditions action is initiated under paragraph 10(b) of the DPCO, 1995 for fixing the price of the formulation in public interest. This is an ongoing process.

Based on monitoring of prices of non-scheduled formulation, NPPA has fixed prices in case of 30 formulation packs under para 10(b) and companies have reduced price voluntarily in case of 65 formulation packs. Thus in all, prices of 95 packs of non-scheduled drugs have got reduced as a result of the intervention of NPPA.

Apart from purchase of samples by the officers of NPPA from different parts of the country, complaints by individuals / NGOs and report from the State Drug Controllers are utilized to ensure compliances of the prices fixed / notified by the NPPA / Government. Price list submitted by the companies in Form V are scrutinized for the purpose. In case a company is found selling any scheduled formulation at a price higher that notified / approved by NPPA, action is taken against such companies as per the provision of DPCO,1995 for recovery of the overcharged amount.

Further, the Department of Pharmaceuticals has launched `Jan Aushadhi Campaign` with the objective of making available medicines at affordable prices for all. Under this campaign less priced quality unbranded generic medicines are made available through Jan Aushadhi Stores. At present 107 Jan Aushadhi Stores have been opened till 12.8.11 in various states in the country.